

## THE FINANCIAL SITUATION.

With the single exception of the coal strike all news affecting the stock market last week was of the kind that speculators usually consider as justifying higher prices; and if the coal strike could have been forgotten and the triple holiday at the end of the week could have been averted, higher prices would undoubtedly have been seen. As it was, the market remained throughout the four days of trading almost entirely motionless, with transactions less than for any similar period in a twelve-month. The prevalent feeling was not one of discouragement, but of simple desire to wait. There is not the slightest doubt, so far as the future of the stock market is concerned, that the longer this desire to wait can be continued the better off everybody permanently interested in the market will be, and so the coal strike may turn out to be a very great blessing in disguise. The chief peril of the present speculative position is the possible failure of its money ammunition, and if operators for the moment can only contain themselves until bank resources at this centre are fortified, then the beneficial influences of good crops and prosperous general business can be expected in the security list to better and safer advantage.

The week closed with the belief universally held in the financial community in England, as well as in this country, that Mr. Balfour would definitely announce in the English Parliament this afternoon the successful conclusion of peace negotiations with the Boers. It was obvious when Mr. Balfour hinted at such an announcement in the House of Commons last Thursday that the master was not so far concluded that all possibility of hitches was over; hence large gambling on the event was wise. It seems certain, however, that peace in South Africa is near at hand, and the one important question to be answered simply, how will peace, when it comes, affect the world's money markets? All bars will be let down for mining operations in the Transvaal and for the free shipment of gold to England. It is a disputed question whether the annual output of gold in the Transvaal can be measurably increased over the output reached in years previous to the war, but it is admitted that the mines will at least produce as much as they did formerly, and that, as compared with the last three years, the world's present stock of gold will be heavily increased from South African sources of supply. There will be some lively speculation in the English mining market. And it seems reasonable to believe that there will be a great development of South African territory and industry, though the process will, of course, demand the employment of money here and there to retain much of the gold produced in the country for use at home. Plans and business schemes of a thousand varieties, whose execution was postponed until the Boer war was over, will be speedily entered into in Great Britain itself, and these will be a general release of competitive enterprise all over the British Isles. This, too, will require money and will naturally tend to withdraw British money from the foreign countries where it has been loaned. Therefore, just what will be the net result of peace in the Transvaal upon American markets and business is not easily determined. In the long run, or even for a short run, the cessation of war in half a continent and the settled devotion of a harassed country to the arts and productiveness of peace, can hardly be considered as a "bear" argument in any quarter of the globe. The present temper of Wall Street is to regard the matter as a general "bull" factor of great importance.

So, also, with perhaps less reason, Wall Street has persistently refused to consider the coal strike as a grave affair, although it has conceded, academically, its danger. The ranks and file of speculators believe that a small voting majority by which the strike was ordered proves that the strike is not a "stayer," and in common with the great banking interests the majority of Wall Street operators have thus far declined to be scared either by what has happened in the past, or by the possibility of what may happen in the future. Great illumination will, of course, be thrown upon the true character of the coal strike by the events at the collieries this morning. If a large proportion of engineers and firemen and pumpmen remain at their posts it will be a pretty fair proof that the strike fever has lost its infection, while the chances will clearly be decided that the bituminous miners will stay. On the other hand if most of the engineers and the other workers now in the mines join with the striking miners, and violence and rioting follow attempts to keep the mines pumped out by non-strikers hands no professional interpreter will be needed to explain the meaning of the communist. If such rioting and violence do occur, whatever public sympathy has heretofore been extended to the miners must cease and the entire force of public sentiment be directed toward compelling a stoppage of the strike by the sacrifice of the miners' rights. Mr. Mitchell is, apparently, hesitating exceedingly about calling out the bituminous miners and the bituminous miners are evidently not unwilling to be called out anyway. Mr. Mitchell knows that the hour in which he asks these miners to break their contracts with their employers will mark the end of the reputation that he has attained as a conservative and, comparatively speaking, a high-minded labor leader; and the anarchist coal workers are quite aware that if the bituminous miners throw down their tools the strike treasures in Wilkes-Barre and Scranton will suffer. It is certain that efforts are being made to end the strike among those whose influence to this end ought to be effective, if anybody's can be. What success will attend these efforts time alone will tell. Summing it up, it would seem as if the ordinary Wall Street passerby ought to eschew guesses and prophecies, and statements attributed to high and unknown "authorities" concerning probable developments in the coal strike, and let events speak for themselves. For better or for worse, events are likely to speak plainly enough and quickly.

The Government crop report that will be issued next week Tuesday will probably show that crops in general over the country decidedly improved during the month of May. It is doubtful if the favorable weather has been of great avail to winter wheat, but corn has been helped enormously, and officials of the "corn railroads" seeing the huge increase in the corn acreage along their lines, say that the prospects of tonnage for their properties are all that they could ask. In the grain trade there is much discussion over the action of the Government Bureau of Statistics in accepting—very reluctantly, it is said—the enlarged figures of the Census Bureau as to the extent of lands under cultivation and in restating upon these figures the final estimates of last year's harvest. The consensus is that, while the Bureau of Statistics has underestimated all crops in recent years, the visible present shortage in corn and wheat reserves proves that the data of the Census Bureau are untrustworthy, and that the estimate of the total yield as finally put out by the Government, is, therefore, too large. It is a very

gratifying fact that all accounts agree that the outcome for a large cotton crop and good prices for it in the current year is excellent. There has been a small decrease in the cotton acreage, due to a diversion of land from cotton planting to the production of coarse grains and foodstuffs more natural, of course, by the high prices of all food materials. This high price of food products and increased cost of living also obviously makes the cost of raising the cotton crop larger than ordinarily. The value of the diversification of crops is a lesson that the Southern States must learn as thoroughly as the Northwestern States have learned it. The present condition of the cotton crop is, however, very much better than it was at this time last year, and if matters continue as they are there is no doubt that the South will get much more profit from cotton in 1902 than she did in 1901. The direct and immediate benefit that Wall Street will receive from the circumstance will be, of course, the ease imparted to the market for foreign exchange by the credits created in foreign markets by the sale of our cotton there at an enhanced value.

More activity was manifested in Canadian Pacific than in any other railroad stock in the market during the week, and a sort of rumors prevailed as to the reason thereof. It is very probable that the management of the Canadian Pacific company was willing that high prices should be recorded for the company's shares in order to facilitate the sale of treasury stock at good figures. It is not generally understood, however, that the Canadian Pacific road is not only a competitor of the Great Northern and Northern Pacific railways in a transcontinental sense, but is specifically and locally a competitor by means of its lines in the United States. A study of any good railroad map with reference to this point will prove interesting. It is known, too, that the feeling has become strong among British investors that, in view of the increasing immigration into the Canadian Pacific territory, a very considerable proportion of the immigrants coming from the United States—the prospects of the road have been permanently improved. Another incident of the week was the increased buying of the Union Pacific convertible bonds, which is believed in quarters where correct impressions as to Union Pacific policies have heretofore prevailed, to indicate that the possibility of an increased or extra dividend upon Union Pacific common stock this summer has become a probability. The idea of buying the bonds rather than the stock is that the bonds are convertible into Union Pacific common stock, and that the stock is that the bonds are convertible into Union Pacific common stock at par at any time, an adjustment of interest being also allowed, and that their possession thus insures the owner a full participation in any distribution upon the common shares, while as the bonds are a direct obligation of the Union Pacific company, their price will, in case of market shock, fall but slightly. In the May panic last year, when Union Pacific common plumped into the 70s, the convertibles stopped at 103%.

PHILIP KING.

## FINANCIAL AND COMMERCIAL.

UNITED STATES AND STATE BONDS IN 1900-01.

**Open High Low Close**

\$100 U.S. \$100 100 100 100

10000 U.S. 11000 11000 11000 11000

10000 U.S. & Co. 94 94 94 94

## RAILROAD AND OTHER BONDS.

**Open High Low Close**

12 Atch & St. 94 94 94 94

6 Atch & St. 92 92 91 91

8 Atch & St. 103 103 103 103

10 Atch & St. 103 103 103 103

3 Atch & St. 98 98 98 98

3 Atch & St. 98 9